



## [V.I. Economic Development Authority approves \\$3 million in loan guarantees to help local small businesses](#)

Submitted by Semele George on Fri, 08/15/2014 - 1:00pm

CHARLOTTE AMALIE, St. Thomas, U.S. Virgin Islands – The V.I. Economic Development Authority announces that it has approved 24 loan guarantee support applications in the amount of \$3.0 million to help local small businesses through local banks that are participants of the State Small Business Credit Initiative (SSBCI) program in the Territory.

At the end of the third quarter of fiscal year 2014, the VIEDA's statistics reveal that the approval of these loan guarantee support applications between January 20, 2012 and June 30, 2014 have helped local small businesses get access to funding to help them sustain, or grow, their business. These approvals saved 215 jobs and created 37 new jobs in the Territory. The VIEDA, which has been designated by Governor John P. deJongh Jr. to administer this program in the U.S. Virgin Islands, currently guarantees up to 50 percent of the total loan amount applied for at SSBCI participating banks in the USVI by local small business owners.

According to the VIEDA's Chief Executive Officer Percival E. Clouden, "One of the main reasons small businesses fail is due to their lack of access to capital. Through our partnerships with local banks that are participants of the SSBCI, the VIEDA is committed to ensuring that local small businesses get access to the funding they need to operate their business while they retain and hire employees."

Under the USVI's SSBCI Program, loan guarantees enable small businesses to obtain term loans or lines-of credit. If approved, the VIEDA provides banks with a percentage guarantee as security for the loan or line of credit. The USVI's SSBCI loan enhancement programs include the Collateral Support Program; Credit Guarantee Program; and the Payment, Surety, and Performance Bond Program.

The USVI State Small Business Credit Initiative Program (SSBCI) is a loan and bonding program that is designed to help create and grow small businesses, and create jobs and tax revenues for the U.S. Virgin Islands.

The State Small Business Credit Initiative is a federal loan guarantee program under the U.S. Department of the Treasury which was funded with \$1.5 billion to strengthen state programs that support private financing to small businesses and small manufacturers. In 2011, the USVI was awarded \$13.1 million from the U.S. Department of the Treasury as a participating state under the SSBCI program that was established by the Small Business Jobs Act of 2010. The SSBCI program represents a significant change in the federal approach to economic development.

In May 2014, state directors and other officials from SSBCI programs representing 48 states, Washington D.C., and four territories - including the U.S. Virgin Islands - gathered in Washington for the fourth national SSBCI conference where attendees shared insights, success stories, and best practices. Across the nation, SSBCI has already disbursed more than \$1 billion of nearly \$1.5 billion in funds, according to the U.S. Department of the Treasury.

For more information on the U.S. Virgin Islands State Small Business Credit Initiative (SSBCI), you may contact Abraham Edwards or Monique T. Samuel at 340.773.6499, ext. 248 and 246. To learn more about the SSBCI, visit <http://www.treasury.gov/resource-center/sb-programs/Pages/ssbci.aspx>, or the SSBCI loan guarantee program at [http://www.treasury.gov/resource-center/sb-programs/Documents/SSBCI\\_Program\\_Profile\\_Loan\\_Guarantee\\_FINAL\\_May\\_17.pdf](http://www.treasury.gov/resource-center/sb-programs/Documents/SSBCI_Program_Profile_Loan_Guarantee_FINAL_May_17.pdf).

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